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November 17, 2004

Mary L. Cottrell, Secretary
Department of Telecommunication and Energy
One South Station, 2nd Floor
Boston, MA 02202

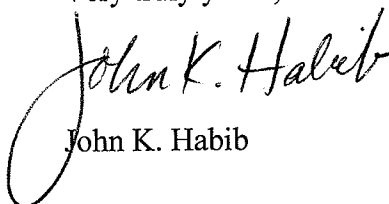
Re: D.T.E. 04-85 — Petition of Boston Edison Company and Commonwealth Electric Company for Approvals Relating to the Restructuring of Power Purchase Agreements with Northeast Energy Associates Limited Partnership

Dear Secretary Cottrell:

Enclosed please find the second filing today of responses of Boston Edison Company and Commonwealth Electric Company d/b/a NSTAR Electric (the "Companies") to discovery questions asked by the Attorney General and the Department of Telecommunications and Energy in the above-referenced proceeding, as listed on the following Discovery Log. Please note that certain documents that are responsive to these questions are confidential and are being filed under separate cover with the Attorney General and the Hearing Officer only.

Thank you for your attention to this matter.

Very truly yours,


John K. Habib

Enclosures

cc: Service List
Joan Foster Evans, Hearing Officer (2)
Colleen McConnell, Assistant Attorney General (2)

LOG OF RESPONSES FILED

D.T.E. 04-85

November 17, 2004

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Information Request AG-1-34

Referring to Exhibits NSTAR-RBH-5, and NSTAR-RBH-6, please recalculate the amounts shown on those exhibits, changing only the power and fuel costs and prices so that they are fixed at the most recent numbers for the entire period.

Supplemental Response

In response to the request of the Attorney General, Attachment AG-1-34(a) (supp) **CONFIDENTIAL** and Attachment AG-1-34(b) (supp) **CONFIDENTIAL** update this response to incorporate the impact of the First Amendment to the Bellingham Execution Agreement.

Information Request AG-1-36

Please provide a complete copy of the Fall 2004 Henwood Energy Service Inc.'s Northeast Electricity and Gas Price Outlook, when it becomes available.

Supplemental Response

BULK CONFIDENTIAL ATTACHMENT

Please find attached Attachment AG-1-36(a)(Supplemental) **CONFIDENTIAL BULK**, which is a full version of the narrative report that has now been issued with the Fall 2004 Henwood Power and Fuel Forecast, received by NSTAR Electric on November 16, 2004. In addition to the Section 4 Assumptions and Fall Forecast data already provided to the Department and the Attorney General, this most recent version, which was not available to the Company on November 1, 2004 (nor published to the Company's knowledge), includes additional sections describing the contents of the forecast, and its underlying assumptions and methodologies. The attached version does not include a SEMA-RI zone forecast, which was requested separately by the Company and provided to the Department and the Attorney General as Attachment AG-1-36(b) on November 15, 2004 in this proceeding.

Information Request AG-3-25

Please provide an explanation of the operation of Section 5.5 of the Execution Agreement and provide examples of its operation using varying Adjusted Bid Price Amounts which would trigger the elections available to the Parties.

Supplemental Response

There are distinct ranges for which the different provisions of Article 5.5 of the Bellingham Execution Agreement, as amended by the First Amendment of the Bellingham Execution Agreement, would be applicable.

In the case where the Adjusted Bid Price Amount (as calculated according to Schedule 1.5 of the Bellingham Execution Agreement) is in the range of between negative \$80,000,000 and positive \$2,433,547, then 5.5(b)(ii) applies and both parties will be obligated to close.

Should the Adjusted Bid Price Amount (as calculated according to Schedule 1.5 of the Bellingham Execution Agreement) be exactly equal to zero, then Article 5.5(b)(iv) applies and both parties will be obligated to close.

For the case where the Adjusted Bid Price Amount (as calculated according to Schedule 1.5 of the Bellingham Execution Agreement) is greater than a positive \$2,433,547, an amount which exceeds the maximum allowed variance of \$15,000,000 from the Initial Bid Price Amount of -\$12,566,453, then Article 5.5(b)(iii) applies and two options are presented: (1) NEA may elect to forgo the amounts above \$2,433,547 and both parties will be obligated to close; or (2) NSTAR Electric may elect to waive the \$15,000,000 limit on variance and both parties will be obligated to close. As an alternative, in the case where the Adjusted Bid Price Amount (as calculated according to Schedule 1.5 of the Bellingham Execution Agreement) is greater than a positive \$2,433,547, and neither party agrees to exercise its rights under Article 5.5(b)(iii), then Article 5.5(b)(vi) applies and the Adjusted Bid Price Amount will be calculated each business day, and the Closing Date will be delayed until such time that either: (1) the Deadline is reached, or (2) Article 5.5(b)(ii) becomes applicable.

For the case where the Adjusted Bid Price Amount (as calculated according to Schedule 1.5 of the Bellingham Execution Agreement) is less than a negative \$80,000,000, the bid price shall be negative \$80,000,000 and the closing goes forward.

The matrix below gives specific examples:

Adjusted Bid Price Amount	< (\$80,000,000)	> \$2,433,547	Applicable Article	Option	Results
\$0.00	no	no	5.5(b)(iv)	none	Close
\$8,000,000	no	yes	5.5(b)(iii)	NEA waives Adjusted Bid Price Amount that exceeds Cap	Close
				Company pays full Adjusted Bid Price Amount	Close
				neither	5.5(b)(v)
			5.5(b)(v)	Adjusted Bid Price Amount is recalculated daily until 5.5(b)(ii) is applicable	Close
				Deadline is reached	No Closing
(\$10,000,000)	no	no	5.5(b)(ii)	none	Close
(\$90,000,000)	yes	no	5.5(b)(i)	Adjusted Bid Price Amount is \$80,000,000	Close